

CHILD EXPLOITATION

Several measures related to sexual exploitation of children will be submitted for your consideration. This is a criminal law issue with which I had some experience during my tenure as U.S. Attorney. I realize that some people view my attitudes toward these offenders as harsh. But these are heinous crimes focused on the most vulnerable of our society. It may be years or decades, if ever, before the emotional and sometimes physical scars caused by these crimes heal.

Resist the urge to spend another year studying before you act. I believe there is a majority of this body prepared to vote for enhanced penalties and a sex offender registry that contains all who have been convicted of child exploitation and not just those determined “likely to re-offend.” Let us at least take these steps this year and work towards additional steps next year. If these steps can save just one child, then progress has been made.

EDUCATION (K-12)

The recent district court decision provides an additional reference point for our ongoing K-12 education discussions. The district court opinion vindicates both those who initiated the litigation in 1993 and the recent legislative actions. Wyoming can take pride in the greater than 50 percent increase in our commitment to education funding since 1998. Clearly, the system needed work and in 2006 the court indicates the constitutional standard has largely been met.

Several operating budget items were cited by the district court, and the majority of those items are addressed by the funding recalibration effort. We now have the opportunity to move the legislative and executive branch discussions away from an overemphasis on the constitutional adequacy of the dollars to the more important issue of the quality of our educational system.

I have two requests. First, restore the instructional facilitators funding and return summer school and extended day funding to the model. We have spent considerable time and money creating this funding protocol. We should not abandon an approach generally endorsed by the court without a solid, cost-based reason. Therefore, let us not waiver in our commitment to education.

HATHAWAY SCHOLARSHIPS/ENDOWED CHAIRS

That legislation helped meet our commitment to provide Wyoming citizens with a college education as “nearly free as possible” and continue improvements at the university and in our community colleges. Implementing legislation will be presented to jump-start and fully fund by the end of the biennium the endowed chair portion and the Hathaway Student Scholarship fund.

The legislation is a delicate balance of interests and priorities. Each of us would, no doubt, like to change it just a little. We must resist this temptation. Let us turn the proposed legislation into law, allow the program to operate for a few years, evaluate its operation and then make adjustments. For in politics and public policy, as in life, our task is never quite complete, perfection is sought but never quite achieved. There are no final victories, only milestones, points of progress, along our path.

One truly remarkable aspect of the Higher Education Endowment Act process is that it has all occurred with very little quarrel about credit or ownership of the idea. Those of us gathered today, the citizens on the committees, the academic institutions and the generations of prior proponents of these ideas — all contributed to this success for Wyoming.

If together we stay the course, former Gov. Hathaway will be smiling upon us when this grand idea becomes a statutory reality.

HOUSING

I would also recommend for your favorable consideration a proposal to focus the resources of the State Treasurer’s Office and the Wyoming Community Development Authority on the issue of housing in impacted and non-impacted areas. The ultimate funding level is open to discussion, but the need to address Wyoming’s housing shortage cannot be denied.

SCHOOL FACILITIES

On the school facilities construction side, it is appropriate to move, as the district court suggests, toward state funding of the roads and utilities associated with school construction. It appears the state will pay these costs one way or another, through the State Loan and Investment Board, state revenue sharing with local government, or the School Facilities Commission.

But this should be done in a business-like manner and that is best done through the School Facilities Commission. The School Facilities Commission can develop rigorous, conservative standards and assure cost-effective expenditures. Further, if other properties or facilities, which are not part of the school building, benefit from the road or utilities, the benefits to those properties should be recaptured by the state as they are developed. As the School Facilities Commission adopts guidelines and standards for roads and

utilities, it should also review the existing standards for any bias toward new construction as opposed to building renovation.

I would also commend for your favorable consideration legislation that will be offered to improve the ability of the Community Facilities Program to respond to the larger community interests in school construction and the utilization of older school buildings.

TAX RELIEF

On the question of tax relief, allow me to quote from Gov. Hathaway's 1974 message to the Legislature.

Now let me say that I feel just as strongly (as he felt about the constitutional amendment creating the permanent mineral trust fund) that any increase in mineral taxes should not all go to the permanent funds. I think part of it should go to the general fund to provide some tax relief for all people of Wyoming and to provide for the operating budgets of this state that are sure to increase.

Several tax-relief proposals have been offered. My preference is to remove the sales tax on utility bills, for I fear the \$35 million in general and federal funds allocated by this budget to weatherization and low-income energy assistance is inadequate to dull the cold knife of high energy costs. None of the proposals have gained broad-based legislative support. However, there is one tax-relief obligation created by the Legislature in 1995 which we could fulfill without new legislation.

In 1995, the Legislature extended and made permanent the fourth cent sales tax. A little noted, and apparently not long remembered, provision of the extension provides that, at the time when financial solvency returns, the sales tax would be reduced by one-half of one percent, thus reducing the statewide sales tax to three and one-half percent. This action does not require two-thirds vote for introduction or separate legislation. The budget bill alone can trigger the reduction in taxes by allowing \$35 million to remain in the general fund as required by Wyoming Statutes 39-15-104(d).

The 1995 governor's message clearly articulates that the extension of the fourth penny sales tax was to be limited. One-half of one percent was to be removed when revenues increased. The estimated cost of this action is about \$73 million a year, including the appropriation to keep the local government funding in place. This means a twelve and a half percent reduction in the state sales tax and \$73 million more dollars in the taxpayers' pocket. We certainly are not in a position to tell the public that no tax relief is appropriate in view of the statutory language and current financial conditions.